ABENOMICS

For future growth, for future generations, and for a future Japan.

“I will break down any and all walls looming ahead of the Japanese economy and map out a new trajectory for growth. This is precisely the mission of Abenomics.”

—Prime Minister Shinzo Abe

Published in September 2019

https://www.japan.go.jp/abenomics
About Abenomics

Since coming to power in late 2012, Prime Minister Shinzo Abe and his government unveiled a comprehensive policy package to revive the Japanese economy from two decades of deflation, all while maintaining fiscal discipline. This program became known as Abenomics.

While Abenomics started as a stimulus measure based on three arrows, over the years it has evolved into a broader blueprint for pro-growth socioeconomic change that aims to lead Japan in tackling today’s challenges head-on. The changes are designed to benefit all parts of Japan’s economy—the people, companies, investors, and the country as a whole.

Abenomics keeps boosting Japan’s economy

Setting the economy on course to overcome deflation and continue steady growth

2012 vs Latest

Nominal GDP
- BEFORE ABENOMICS
  - 494 JPY tn (4565 USD bn)
- AFTER ABENOMICS
  - 64.7 JPY tn (597 USD bn)
  - Record high

Corporate Pre-Tax Profit
- BEFORE ABENOMICS
  - 39.7 JPY tn (368 USD bn)
- AFTER ABENOMICS
  - 41.3 JPY tn (382 USD bn)
  - Record high

Private Non-Residential Investment
- BEFORE ABENOMICS
  - 71.9 JPY tn (665 USD bn)
- AFTER ABENOMICS
  - 18. JPY tn (167 USD bn)

Number of Employed Persons (Female)
- BEFORE ABENOMICS
  - 62.8 mn (26.6 mn)
- AFTER ABENOMICS
  - 66.6 mn (29.5 mn)
  - Record high

Unemployment Rate
- BEFORE ABENOMICS
  - 4.3 %
- AFTER ABENOMICS
  - 2.4 %

Tax Revenue
- BEFORE ABENOMICS
  - 42.3 JPY tn (392 USD bn)
- AFTER ABENOMICS
  - 62.5 JPY tn (579 USD bn)
  - Record high

Number of Employed Persons (Female) [basic tabulation] = 2012 avg. vs. Latest avg.
Unemployment Rate = 2012 avg. vs. 2018 avg.
Tax Revenue = FY2012 vs. FY2019

1. Pre-Abenomics vs. Post-Abenomics
Nominal GDP - 3Q FY2012 vs. 1Q FY2019, seasonally adjusted series [annualized]
Corporate Pre-Tax Profit - FY2012 vs. FY2017
Private Non-Residential Investment - FY2012 vs. FY2018

2. Source: Cabinet Office “National Accounts,” “Fiscal 2019 Economic Outlook and Basic Stance for Economic and Fiscal Management”
### CORPORATE PERFORMANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate pre-tax profit (JPY tn)</th>
</tr>
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<tbody>
<tr>
<td>FY2011</td>
<td>36.4</td>
</tr>
<tr>
<td>FY2012</td>
<td>39.7</td>
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<tr>
<td>FY2013</td>
<td>54.5</td>
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<tr>
<td>FY2014</td>
<td>60.3</td>
</tr>
<tr>
<td>FY2015</td>
<td>60.6</td>
</tr>
<tr>
<td>FY2016</td>
<td>67.8</td>
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<tr>
<td>FY2017</td>
<td>81.0</td>
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### JOB MARKET

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of employed persons and unemployment rate (%)</th>
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</thead>
<tbody>
<tr>
<td>2012</td>
<td>4.3</td>
</tr>
<tr>
<td>2013</td>
<td>62.8</td>
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<tr>
<td>2014</td>
<td>29.5</td>
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<tr>
<td>2015</td>
<td>26.4</td>
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<tr>
<td>2016</td>
<td>3.9</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Female labor force participation rate (%) (age 15-64)</th>
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<tbody>
<tr>
<td>2012</td>
<td>70.7</td>
</tr>
<tr>
<td>2013</td>
<td>71.3</td>
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<tr>
<td>2014</td>
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<td>2015</td>
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<td>2016</td>
<td>72.4</td>
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<tr>
<td>2017</td>
<td>73.3</td>
</tr>
<tr>
<td>2018</td>
<td>73.6</td>
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### FISCAL CONDITION

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax revenue (JPY tn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>46.9</td>
</tr>
<tr>
<td>2012</td>
<td>42.3</td>
</tr>
<tr>
<td>2013</td>
<td>43.1</td>
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<td>2014</td>
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<td>2015</td>
<td>54.5</td>
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<td>59.7</td>
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<tr>
<td>2018</td>
<td>62.5</td>
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</tbody>
</table>


4. Source: Cabinet Office “National Accounts,” private non-residential investment

5. Source: Ministry of International Affairs and Communications “Labour Force Survey,” seasonally adjusted figures; Ministry of Internal Affairs and Communications “Labour force survey,” seasonally adjusted figures

6. Source: OECD, stats

7. Source: Ministry of Finance “Highlights of the Draft FY2019 Budget”
The greatest structural issue facing the Japanese economy is the aging of society and shrinking of the population. However, we see this challenge as an opportunity.

Demographic change is a social challenge that will soon be shared by most developed countries. Japan is committed to achieving sustainable growth and becoming a pioneer in the establishment of a new social model. We call this Society 5.0, Japan’s vision for the next step in human evolution.

Goal 1: Achieving Sustainable Growth

Implement comprehensive reform to accelerate an economic virtuous cycle, which will help grow GDP to 600 trillion yen.

Context

How Abenomics Works

Aim to reach 600 trillion yen GDP

Innovation in Societal Structures

Diversity & Empowerment of People

Smart Regulations & Laws

Attractive International Opportunities

More Competitive Business
Goal 2: Realizing Society 5.0

Solve social problems by utilizing Japan’s vast volume of real data in tandem with cutting-edge industrial technologies.

Japan’s vision for the next stage of our evolution is Society 5.0, in which technology is harnessed to create a new social contract and economic model. With the help of robotics, AI, IoT, and big data we can improve not only business but also our daily life. As new technology eases administrative burden and knowledge selection, and enhances creativity, we can discover solutions to complex social issues, such as declining birth rates, aging populations, and the changing environment.

Solutions in Progress

1. Innovation in Societal Structures

We promote a society that is smarter and which innovates to raise productivity, problem solving across issues such as a decline in population.

2. Diversity & Empowerment of People

Our goal is a society that welcomes diverse ways of working and empowers all equally, including seniors, women, and foreign professionals.

3. Smart Regulations & Laws

As markets evolve to reflect changing social needs, we should move quickly, and with an open mind, to help create new businesses and new demand.

4. Attractive International Opportunities

Core issues, like growing sustainably, are faced by all nations. We believe in innovating together, opening our markets and offering our best products and services abroad.

5. More Competitive Business

Unlocking economic opportunities means opening up all of our potential, from strength in local regions and the SME sector, to creating an ever more friendly business environment.
Innovation in Societal Structures

Changing societal structures is a chance to unlock new markets. An aging society, for example, stimulates demand for care & wellness products and services, which in turn pushes innovation in mobility, administration and infrastructure, to name but a few. A smaller workforce can encourage greater efficiency, as well as more demand for higher skillsets to utilize the latest technological advances, as per the Society 5.0 vision. Many believe economies need population growth to expand. However, history shows us that growth happens when the skills of society reflect its economic opportunities.

**FINTECH/FINANCE**

- Improve productivity in finance and commercial transaction area by utilizing new technologies to provide more stable and efficient financial services.
- Plan to adopt cross sectoral financial regulations to allow seamless payments and to create a new fund transfer category between banks and payment services companies.
- Aim to prepare during 2019 a fundamental approach to cross sectoral financial services legal framework to improve quality of financial services.
- Install open API (Application Programming Interface) systems in more than 80 banks by 2020 to further drive innovation.
  *API is a software interface within which an application and other operations provide separate applications with a common function. In software development, a function provided by an API does not require further programming, which makes the process more efficient.*
- Achieve a 40% cashless payment rate by 2025.

**MOBILITY**

- Starting with mountainous regions, introduce drone delivery services to include urban regions by the 2020s.
- Introduce driverless transportation services with the aim of making them commercial by 2020.
  *Road tests ongoing in the capital and in mountains.*
- Autonomous truck platoons for mass transportation to address the shortage of truck drivers (commercialization by 2022).
- City planning will include new mobility options so that model cities include autonomous driving, shopping support and MaaS (Mobility as a Service) from the start.
- Transport data dissemination via Apps will be introduced from this fiscal year to ease congestion, especially during peak times and major events.

**SMART CITY**

- National and city governments to join forces to encourage municipalities and local businesses to embark on smart-city model projects that incorporate the latest technologies and a data-driven approach in their area.
- Integrate town-planning with new mobility services and private data capacities to develop the “Compact · Plus · Network,” ensuring that urban areas have efficient and clean transport that meets aging population needs.
- Collaborate with international partners such as at ASEAN Smart Cities Network, Super City Smart City Forum and Asia Smart City Conference, to discuss new architectures for sustainable urban development.

**NEXT-GENERATION INFRASTRUCTURE**

- Use robotics and sensors to repair and improve productivity of infrastructure, and cut costs.
- Introduce data-driven operations to improve precision of construction, renewal and maintenance processes.

**PPP & PFI**

- Bring in private business to boost public utilities as part of transformation into Smart City.
- Consider ways to leverage private initiative at utilities to generate long-term revenue and better cost-performance.
HEALTHCARE

- Integrate and store PHR (Personal Health Records) by 2020 using big data to provide customized medical care; this includes medical checkup, treatment, and nursing care records.
- Enhance remote medical care services and combine them with face-to-face examinations (enabled in part due to a FY2018 revision of medical service fees).
- Use AI and robots at long-term care facilities to maintain/improve users' quality of life and reduce burden on caregivers.
- Introduce the world’s fastest approval process for regenerative medicine and grow Japan’s market for the same to 26 trillion yen by 2020.
- Nominate specific geographies as hubs for cardiac, neurologic and ophthalmic treatment.
- Create a faster R&D process to motivate innovation in pharmaceuticals and medical devices.

OPEN DATA

- Open up government data to promote innovative products and services, particularly in eight selected areas that include healthcare, agriculture, energy and mobility.
- Provide open access to geospatial information to promote new business ideas (the G-Spatial Society initiative).

AND MORE

DIGITAL GOVERNMENT

- Change administration by making all services and procedures digital:
  - Eliminate attachments required in various procedures, and modernize personal identification procedures.

SMART AGRICULTURE

- Agriculture of tomorrow means utilizing sensors, big data analysis and AI to help farmers move to larger-scale, less labor-intensive production while integrating them into the modern farm-gate-to-store supply chain at minimal cost. The approach will be expanded to forestry and fishery industries.

NATIONWIDE 5G, LOCAL 5G

- Start commercial 5G (5th Generation Mobile Communications System) services across the country in 2020 to cope with increasing data volumes, while ensuring cyber security:
  - Government to provide assistance in deployment of base stations and optical fiber.
- Promote and support business models that go beyond traditional services in various fields, especially by taking advantage of local 5G systems.

Achievements

- Rapid development in advanced heart failure treatments such as myoblast cell-sheet transplants.
- World’s first successful iPS origin retinal cell transplant operation for age-related macular degeneration.
Diversity & Empowerment of People

When speaking about economics, everything starts with people. They are the country’s top asset, and this is where we are focused to make the biggest difference.

As people’s average life span expands, and our society grows more diverse, we want to help people remain productive, learn new skills, and re-invest that knowledge in their work.

Our initiatives include the Council for Designing 100-Year Life Society and measures to boost the workforce through higher female and senior engagement, as well as overseas talent.

WORK-STYLE REFORM

- **Legislative rules and guidelines of “equal pay for equal work”:** Eliminate the irrational gaps in the working conditions between regular and non-regular workers in order to enable non-regular workers to be fairly evaluated and to work with higher motivation

- **Promote a flexible work style:** Promote teleworking, side jobs and those who wish to take on multiple jobs with a variety of policy measures, including the renewal of guidelines

  Law passed in June 2018

HUMAN RESOURCES DEVELOPMENT

- **Move toward free education** for infants (from low income households), all pre-school children, and higher-education (university) students (from low income households)

- **Support further education and mid-life career change for**
  - Individuals who seek to advance their skills
  - Those wishing to switch jobs
  - Mothers returning to work after child-care leave, who wish to boost skills or change employment

- **Make education more practical**
  - Reform higher education curriculum and facilities to better meet the needs of today’s professions, especially in terms of technical skills such as in IT
  - Introduce **programming as mandatory study** from elementary school to bolster societal IT knowledge in the future
WOMEN

- Bolster health support for women at various life stages
- Offer greater assistance to single parents, irrespective of gender
- Make available further and recurrent education for women returning to work after child-care leave
- Provide female candidates with executive leadership training programs from the world’s leading business scholars
- Eliminate all forms of violence against women including spousal violence, sex crimes, prostitution, human trafficking, sexual harassment, and stalking
- Promote men taking child-care leave and being more active with domestic tasks

Achievements

- From 2012 to 2018, the number of women joining the workforce increased by about 2.9 million
  Source: Ministry of Internal Affairs and Communications “Labour Force Survey”
- Women in management positions in the private sector approaches 10%

SENIORS

- Provide a choice to work beyond the official retirement age for those who want to do so, as well as support companies that retain retiree-age staff
- Provide support in matching job openings and applications
- Consider raising the retirement age of civil servants gradually from 60 to 65 years old

Achievements

- From 2012 to 2018, employment rate of people over the age of 65 increased by 4.8%
  Source: Ministry of Internal Affairs and Communications “Labour Force Survey”
- 71% of seniors report that they would like to continue to work past retirement age
  Source: Cabinet Office “Research on daily life of seniors” 2014

EXPATRIATES

- Actively attract overseas professionals who have expertise or experience in certain areas through easier visa procedures
  - Fast-track visa screenings to 10 days
  - Set up the world’s fastest Japanese Green Card program for Highly-Skilled Foreign Professionals in select fields
- Established a new status of residence for foreign human resources who have a certain level of professional and technical skill, and Japanese language proficiency
- Online applications accepted from 2019
- Ease quality-of-life with more non-Japanese signage, international schools, English-speaking hospitals
- Option to invite housekeeping staff from overseas
- Support more international students and entrepreneurs

Achievements

- The number of workers from abroad reached 1.4 million (Approx.)
A fledgling business idea or technology needs support and understanding. In the case of government, Japan is introducing a sandbox approach that seeks to help new ideas develop by easing regulations for a limited period of time and participants.

- Early stage business models or technologies are proposed to the government and evaluated on their merit
- Rules are relaxed to test these innovations within a certain contained “sandbox” (e.g. within an approved company or project). Businesses are able to conduct demonstration tests and pilot projects that are not envisaged under existing regulations inside of their “sandbox”
- The testing environment allows businesses to conduct pilot projects quickly, building up data that can lead to change in regulations
- If pilot demonstrations of new technologies/business models are successful, the government aims to further implement the regulatory reforms with data obtained from such field trials and experiments
- A dedicated office for this is set up to ease the application process

Law took effect in June 2018

**Achievements**

- 8 test projects in the field of IoT, online medical consultation, and Fin Tech have been certified (as of July 2019)

Selected regions have the privilege of carrying out advanced structural reform in the hope of turning successful test cases into touchstones for nationwide implementation.

- 10 areas have been selected since 2013
- 324 reforms were undertaken (as of June 2019)

**Achievements**

- 1st automated bus driving test conducted on a public road in Semboku City (November 2016)
- Accept non-Japanese workers who have certain skills to help turn agriculture into a growth industry in Kyoto Pref., Niigata City, Okinawa Pref. and Aichi Pref.

Law took effect in April 2018

Opening new frontiers requires a deft balance of freedom, support and smart regulation to ensure that innovation is sustained. Japan’s commitment to new ideas starts with creating a space to explore, via a regulatory sandbox or a special zone. As ideas develop, we offer pathways to their wider adoption by setting open and fair market rules. Markets with some of the best potential are related to data and digitalization. Thus, how our societies handle knowledge and data is of particular importance. This can be key to solving many social issues in Japan and worldwide, such as the use of personal information. That is why Japan believes it must ensure privacy and a healthy exchange of information across borders. In addition, government efforts to achieve a Decarbonized Society are aimed at realizing sustainable growth.
Rules for Digital Market

- Given the importance of data handling and security, Japan plans to create a task force to both regulate and stimulate best practices in the digital market arena.
- Rules will be prepared to ensure transparency and fairness in transactions between digital platform companies and users.
- In order to promote digital market competition, data portability and API disclosure policies are being considered and reviewed.

D. F. T. (Data Free Flow With Trust)

- Free flow of data across borders is vital to ensure privacy, the integrity of IP, and even national security.
- This is the basis of the "Data Free Flow with Trust (DFFT)" concept.
- Japan is determined to promote and lead the international discussion on DFFT to find global consensus on rules for data exchange with a view to harnessing the full potential of data and the digital economy.
- Japan will lead international policy discussion on these issues, inter alia, international rule-making on trade-related aspects of electronic commerce at the WTO, under the umbrella of the "Osaka Track," launched at the sideline of the G20 Osaka Summit.

Decarbonized Society

- Take measures towards the reduction of GHG emissions by 80% by 2050 to realize a decarbonized society:
  - Achieve a business-led virtuous cycle of protecting the environment while stimulating economic growth by accelerating innovations in environmentally friendly technologies.
    - The Long-term Strategy under the Paris Agreement (Cabinet decision, June 11, 2019)
- Promote zero-carbon mobility knowing that by 2030 more than half of new autos will use electric, fuel cell or other non-gasoline engines.
- Promote a hydrogen society that ushers in carbon-free technology:
  - Establish 160 operating hydrogen stations by 2020 and double that number by 2025.
  - Set a target of reducing hydrogen production costs to one-tenth of current levels by 2050.
- Stimulate green finance by promoting disclosure and transparency to drive ESG funds, which are increasing worldwide.
- Utilize AI and IoT for energy use management with the commercialization of VPP (Virtual Power Plant) systems by 2021 that offer more efficient resource distribution.
- Increase competitiveness in the power and gas market through a comprehensive overhaul of the industry, spurring development of new energy sources and more focus on environmental impact.
By signing a trade deal with the EU last July, Japan did not simply enter into a business deal. It was the biggest evidence to date of Japan’s commitment to lead and be a champion of free trade, to encourage global cooperation both economically and politically, and to seek ways in which to support business, innovation, and growth.

Abenomics has always aimed to create prosperity in Japan and share that globally as part of a virtuous business cycle based on free, fair, rule-based markets. While opening its markets to investors from overseas, Japan is also exporting infrastructure and providing financial aid so as to affect a win-win global relationship.

**ECONOMIC PARTNERSHIP AGREEMENTS**

- Comprehensive and Progressive Agreement for TPP11 (Trans-Pacific Partnership) entered into force in December 2018
- Japan-EU EPA (Japan-EU Economic Partnership Agreement) entered into force in February 2019
  - One of the world’s largest bilateral free trade deals
  - Will eliminate nearly all customs duties between the two sides
  - A model for 21st century economic order, based on tariff-free trade and fair rules
- Promote negotiations of other EPAs (Economic Partnership Agreements) such as RCEP (Regional Comprehensive Economic Partnership)

**Achievements**

- FTA (Free Trade Agreement) coverage ratio has reached over 50%
  - Trade value base, in force or signed
  

**EXPORT OF QUALITY INFRASTRUCTURE**

For more information: https://www.japan.go.jp/infrastructure

- Provide financing to infrastructure projects across the world of approximately USD 200 billion by 2021
- Strengthen competitiveness through public-private cooperation and collaboration with partner countries
- Promote participation in project operation and its management to expand market opportunities
- Expand infrastructure investment, taking advantage of Japanese technologies and expertise

**Achievements**

- Decided with Prime Minister Modi of India to develop the MAHSR (Mumbai-Ahmedabad High Speed Rail Corridor) based on the Japanese Shinkansen system, aiming to start operation in 2023
- Infrastructure project orders received

Source: Cabinet Office “43rd Meeting of the Management Council for Infrastructure Strategy”

*Approximate figure
TOURISM

- Form 100 world-class Destination Marketing Organizations by 2020, and train tourism management specialists
- Promote branding of national parks and usage of cultural properties, as well as encourage foreign tourists to visit various parts of Japan by enhancing the quality and variety of experiences during their stay
- Improve the tourist experience with additional free Wi-Fi spots and cashless payment options, etc.; promote private lodging services under certified procedures

Achievements

- Inbound tourists in 2018: 31 million tourists with an expenditure of 4.5 trillion yen

JAPANESE FOOD/AGRICULTURE

- Support further the growing popularity of Japanese food around the world to meet rising consumer demand for more health-conscious cuisine
- Boost export potential to one trillion yen by 2019
  - Strengthen export promotion through the Japan Food Product Overseas Promotion Center (JFOODO)
- Accelerate the accumulation and consolidation of farmland for agricultural businesses through full-capacity operation of Farmland Banks, which were established in 2014
- Introduce similar approaches to modernize forestry and fishery industries

Good food for good life

- Ratio of obesity in the Japanese population (aged 15-) is 3.7%, the world’s lowest standard (versus a 19.4% average for OECD 34 nations)
- Life expectancy in Japan is 83.9 years, the world’s highest standard (versus 80.6 years for OECD 35 nations)

Achievements

- Exports of agricultural, forestry, and fishery products

REGIONAL REVITALIZATION

Ensure Japan’s economic recovery reaches all corners of the country by working with all stakeholders to create a more sustainable and self-reliant society, utilizing the unique characteristics of every region.

- Welcome foreign business and investment to areas outside of the major cities, highlighting the rich opportunities in local areas
- Remove geographical constraints when living in regional areas through new technologies, such as IoT
- Pave the way for the creation of IR (Integrated Resorts), facilities that “integrate” hospitality with entertainment, conferences space, as well as cultural and casino options, in order to broaden the appeal among both business and leisure travelers
  - Create world’s first comprehensive legal framework for the IR industry
  - Reinstate Japan as the premium Asia hub for corporate travel and conventions (i.e., MICE*)
  - Use up to 3 IR licenses to revitalize various regions of Japan with a new business sector
  - Closely regulate casino activities to address gambling addiction

* MICE: Meetings, Incentives, Conventions, and Exhibitions

Source: Japan National Tourism Organization, Japan Tourism Agency “International Visitor Survey”

The key to success is unleashing your potential. Japan has vast competitive reserves in its regions, as well as in big cities, and we are helping to unlock them through better corporate governance, lower taxes, and by welcoming foreign investment and partnerships.

As we help SMEs, the bedrock of Japan’s economy, become more productive and ambitious, Abenomics is building momentum to impact all stakeholders, from regional staff to overseas investors. A shared desire to succeed will yield shared benefits.

SMEs (Small and Medium Enterprises) provide 70% of all employment and more than 50% of all added value in Japan’s manufacturing. As such, the potential to boost the economy via raising SME productivity with new technology is enormous.

- Help over 1 million firms to introduce cutting-edge ICT, robotics and cloud tools by 2020
- Reduce property tax as for SMEs that make certain capital investments in ICT, robotics and cloud tools
  - Law took effect in May 2018
- Support ownership and business transitions for SMEs whose owners are retiring due to age
- Encourage more international expansion by SMEs, especially regional firms with “hidden champions” potential
- Motivate SMEs to grow their overseas assets by 50% by 2023, compared with 2015 standing

Pre-tax profit after tax of SMEs is at a record high

20.2 trillion yen

Source: Ministry of Finance “Financial Statements Statistics of Corporations by Industry”; all industries, enterprises with capital of at least JPY 10 mn but less than JPY 100 mn, seasonally adjusted figures
Realize sustainable corporate growth through strong governance

- Drew up a Corporate Governance Code, to promote transparent, fair, timely and decisive decision-making by listed companies
  - Revised in 2018
- Formulated a Stewardship Code, to promote constructive engagement and a purposeful dialogue between institutional investors and investee companies
  - Revised in 2017
- Plan to update requirement for listed companies to enhance corporate governance by appointing independent outside directors
- Published new guidelines for stronger group corporate governance to enhance good corporate values at group companies

Achievements

- Corporate Governance Code
  - Applied to more than 2,000 companies
  - Percentage of listed companies* with two or more independent outside directors rose from 17% to 93%**
  - Source: Tokyo Stock Exchange
  - *First Section **From 2012 to 2019
- Stewardship Code
  - Accepted by more than 250 institutional investors
  - Source: Financial Services Agency

For more information: https://www.jetro.go.jp/en/invest

- Optimize administrative processes
  - Reduce administrative costs by 20% by 2020 from 2017 levels in areas that are considered to have the heaviest burden, e.g., for “business approvals and licenses” and “social insurance”
  - Consolidate scattered registration outlets for different documents into one convenient outlet, e.g., Tokyo One-Stop Business Establishment Center
- Host FDI (Foreign Direct Investment) seminars to disseminate FDI information
- Support the matching of foreign companies with domestic SMEs by utilizing the J-GoodTech website: http://jgoodtech.smrj.go.jp

Achievements

- 12,580 cases processed at the Tokyo One-Stop Business Establishment Center (as of April 2019)
- Net amount of inward FDI in 2018 marked a record high of 30.7 trillion yen

Corporate Tax Reduction

Reform corporate tax to be growth-oriented

- Reduce corporate tax rate below 30% mark in 2016
- Substantial tax burden on corporate profits will be reduced to as low as 25% for companies proactively engaging in wage increases and capital investment
- Companies also proactively engaging in advanced IT investment will be eligible for further tax reductions, bringing the substantial tax burden on corporate profits down to as low as 20%

Achievements

- Annual corporate tax revenue increased by close to 7 trillion yen compared to the previous administration, despite the reduced corporate tax rate

Foreign Business Partnerships

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Source: Ministry of Finance "International Investment Position of Japan" as of May 2019
Invest in Japan, the Land of Rising Opportunities!

Japan is quickly transforming to become the most business-friendly nation in the world. Japan welcomes your investment.

Evolving Innovation
Backed by regulatory reforms, R&D activities are accelerating innovation, and creating new business opportunities, e.g., in digital and medical/healthcare industries.

Market Potential
Thanks to Abenomics, the world’s third largest economy keeps booming by increasing productivity and embracing highly skilled, diverse human resources.

Quality Business Environment
Sophisticated transportation network, expanding FTAs and growth-oriented policy measures are creating a favorable environment for global business.

https://www.japan.go.jp/investment/